



MMC Retirement Service Center  
P.O. Box 9740  
Providence, RI 02940-9740

U1  
N2  
August 19, 2005

U1  
Mr. Roger Egan  
2 Hartley Farms  
Morristown, NJ 07960

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Dear Mr. Egan:

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According to our records, you terminated on April 7, 2005 and are a vested participant in the U.S. Retirement Program.

This letter outlines the benefits payable from the U.S. Retirement Program.

Marsh & McLennan Companies Retirement Plan (Qualified Plan)

When you reach age 65 (normal commencement age), you will be entitled to a monthly straight life annuity benefit from the Marsh & McLennan Companies Retirement Plan for your lifetime of \$8,466.27 accrued under the Marsh & McLennan Companies Retirement Plan.

You are eligible to first begin payments under the Marsh & McLennan Companies Retirement Plan effective October 1, 2005 when you attain age 55 at a reduced amount.

The Marsh & McLennan Benefits Equalization Retirement Plan (BEP)

The Company established the BEP in order to pay those benefits otherwise payable from the qualified plan, except for limitations imposed by the Internal Revenue Service on benefits and pensionable earnings under the Internal Revenue Code sections 415 and 401 (a) (17).

Because your benefit as calculated with the Benefits Equalization Retirement Plan formula exceeds the benefit payable to you from the qualified U.S. Retirement Plan formula (without the IRS limitations), combined with your estimated maximum Social Security benefits, you are eligible to receive a payment from the Benefits Equalization Retirement Plan.

The Company funded a portion of your Benefit Equalization Retirement Plan benefits by purchasing annuities with an independent insurer during your employment. The annuity purchases provided future benefit security regardless of any changes in the Company's policy or ability to pay.

Because taxes were paid on the annuities purchased, a portion of the benefit from the Benefit Equalization Plan is not taxable. The portion of the benefit that derives from any increase in the annuity's value is, however, taxable to you at the time the benefit is paid to you. In contrast, your entire payment from the qualified U.S. Retirement Plan is taxable at the time of payment.

Because of this difference in the tax status of benefit payments from the qualified and non-qualified plans, the non-qualified programs' benefit (funded by annuity purchases) is adjusted to its after-tax equivalent to be comparable to what you would have received from the U.S. Retirement Plan, net of taxes. In determining the after-tax benefit, assumptions about current and future applicable tax rates are made.

Marsh • Putnam • Mercer  
Marsh & McLennan Companies

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You may receive the portion of your Benefit Equalization Plan benefits not funded via an annuity purchase in monthly payments or in a lump sum distribution in lieu of monthly benefits. Your distribution election must be on file for at least 12 months prior to the date your benefits commence. If you do not have a valid election on file, your benefits will be paid in monthly payments. You may make an election less than 12 months prior to the date your benefit commences, but your benefit will be subject to a 6% reduction.

Your Benefit Equalization Plan benefit will commence in the same month (payable at the end of the month) and in the same form as your U.S. Retirement Plan benefit (if you receive a monthly benefit).

The amounts shown on the enclosed sheet are *estimates only*; your exact benefit amount will be finalized when you commence your benefits.

Your Benefit Equalization Plan benefit not funded via an annuity purchase is subject to Social Security Tax (FICA). When your benefit is paid to you monthly, in order to satisfy your FICA obligation you will receive your plan benefits in two parts:

- The plan will make a lump-sum distribution at the time you elect to have benefits commence to satisfy your entire FICA tax obligation on your plan benefits as well as income taxes withheld due to the lump sum distribution. These amounts will be remitted to the appropriate tax authorities. No further FICA tax will be due.
- Your monthly benefit in the form of payment you elected will be reduced to take into account the lump-sum distribution used to satisfy your FICA tax obligations.

Your W-2 in the year you commence benefits will include additional income representing the tax payments listed above and will also include the individual tax payments.

If you receive a lump sum distribution, you will receive your benefit net of any FICA, Federal (25%), State and Local (if applicable) taxes.

You are eligible to first begin payments under the Marsh & McLennan Companies Benefit Equalization Plan effective October 1, 2005 when you attain age 55 at a reduced amount. Please note that if you decide to receive the portion of your BEP benefit that is not funded via an annuity purchase as a lump sum distribution, you will receive this distribution at the same time you receive your payment under the Marsh & McLennan Companies Retirement Plan.

**Action Required.** None. You may complete the enclosed Marsh & McLennan Companies Benefit Equalization and Supplemental Retirement Plans Distribution Election Form to change your election, which must be in effect at least 12 months prior to your benefit commencement date to be valid.

#### Marsh & McLennan Companies Supplemental Retirement Program (SERP)

Your Marsh & McLennan Companies non-qualified Supplemental Retirement Program benefits cease to accrue on your retirement date. At that time, you become eligible for monthly benefits from this Program, which was designed to provide employees with a retirement benefit that reflects an appropriate percentage of pre-retirement salary and that is competitive in the industry.

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 The Program uses a formula with higher accrual rates for the first 25 years of service than those used in the U.S. Retirement Plan formula. Because your benefit as calculated with the Supplemental Retirement Program formula exceeds the benefit payable to you from the qualified U.S. Retirement Plan formula (without the IRS limitations), combined with your estimated maximum Social Security benefits, you are eligible to receive a payment from the Supplemental Retirement Program.

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 The Company funded a portion of your Supplemental Retirement Plan benefits by purchasing annuities with an independent insurer during your employment. The annuity purchases provided future benefit security regardless of any changes in the Company's policy or ability to pay.

Because taxes were paid on the annuities purchased, a portion of the benefit from the Supplemental Retirement Plan is not taxable. The portion of the benefit that derives from any increase in the annuity's value is, however, taxable to you at the time the benefit is paid to you. In contrast, your entire payment from the qualified U.S. Retirement Plan is taxable at the time of payment.

Because of this difference in the tax status of benefit payments from the qualified and non-qualified plans, the non-qualified programs' benefit (funded by annuity purchases) is adjusted to its after-tax equivalent to be comparable to what you would have received from the U.S. Retirement Plan, net of taxes. In determining the after-tax benefit, assumptions about current and future applicable tax rates are made.

You may receive the portion of your Supplemental Retirement Plan benefits not funded via an annuity purchase in monthly payments or in a lump sum distribution in lieu of monthly benefits. Your distribution election must be on file for at least 12 months prior to the date your benefits commence. If you do not have a valid election on file, your benefits will be paid in monthly payments. You may make an election less than 12 months prior to the date your benefit commences, but your benefit will be subject to a 6% reduction.

Your Supplemental Retirement Plan benefit will commence in the same month (payable at the end of the month) and in the same form as your U.S. Retirement Plan benefit (if you receive a monthly benefit).

The amounts shown on the enclosed sheet are *estimates only*; your exact benefit amount will be finalized when you commence your benefits.

Your Supplemental Retirement Plan benefit is subject to Social Security Tax (FICA). If your benefit is paid to you monthly, in order to satisfy your FICA obligation you will receive your plan benefits in two parts:

- The plan will make a lump-sum distribution at the time you elect to have benefits commence to satisfy your entire FICA tax obligation on your plan benefits as well as income taxes withheld due to the lump sum distribution. These amounts will be remitted to the appropriate tax authorities. No further FICA tax will be due.
- Your monthly benefit in the form of payment you elected will be reduced to take into account the lump-sum distribution used to satisfy your FICA tax obligations.

Your W-2 in the year you commence benefits will include additional income representing the tax payments listed above and will also include the individual tax payments.

If you receive a lump sum distribution, you will receive your benefit net of any FICA, Federal (25%), State and

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Local (if applicable) taxes.

You are eligible to first begin payments under the Marsh & McLennan Companies Supplemental Retirement Program effective October 1, 2005 when you attain age 55 at a reduced amount. Please note that if you decide to receive the portion of your SERP benefit that is not funded via an annuity purchase as a lump sum distribution, you will receive this distribution at the same time you receive your payment under the Marsh & McLennan Companies Retirement Plan.

**Action Required.** None. You may complete the enclosed Marsh & McLennan Companies Benefit Equalization and Supplemental Retirement Plans Distribution Election Form to change your election, which must be in effect at least 12 months prior to your benefit commencement date to be valid.

If you elect to receive payments prior to age 65, your straight life annuity benefit will be reduced, as shown in the attached table.

To ensure your benefits were calculated correctly, we must verify your (and your spouse's, if applicable) age. Any of the following is acceptable documentation:

- |                        |                               |
|------------------------|-------------------------------|
| • Birth Certificate    | • Certificate of Baptism      |
| • Passport             | • Driver's License            |
| • Marriage Certificate | • Affidavit of older relative |

Please submit the documentation when you request commencement of your benefits.

If you are married at the time you commence your pension, you are required to elect at least a 50% Contingent Annuity Option unless your spouse consents to a different form of payment. Your monthly benefit will be reduced based on your age and your spouse's age on the date your benefit commences.

To receive your benefits, please notify us in writing at the address shown on the top of this letter at least three months before you want benefits to begin. In your letter include: the date payments should begin, your Social Security Number, and your termination date.

If you should die before your benefits begin and have an eligible surviving spouse, he or she will be entitled to receive a benefit for his or her lifetime. The benefit would equal half of the 50% Contingent Annuity Option that would have been payable to you at age 55 or at your death, if you die after age 55.

You must elect to receive your monthly benefit no later than your 65th birthday. There is no increase in benefits after you attain age 65.

In addition, please notify the MMC Retirement Service Center, in writing, if you change your address or if you have any questions.

Should you need any further assistance, please contact us at (866) 708-3981.

Sincerely,

MMC Retirement Service Center

## Marsh &amp; McLennan Companies Retirement Program Early Retirement Reduction Schedule for Commencement Prior to Age 65

Name: Roger Egan  
 Social Security Number: XXX-XX-7998

August 19, 2005

Retirement Plan	Benefit Accrued Through 12/31/2002	Benefit Accrued from 1/1/2003 to Termination	Total Monthly Benefit at age 65
Marsh & McLennan Companies Retirement Plan Benefit:	\$8,067.72	\$398.55	\$8,466.27
Monthly Benefit Payable at Age 65 (Qualified Plans):			\$8,466.27
Marsh & McLennan Companies Benefit Equalization Plan*:	\$12,094.22	\$3,544.61	\$15,638.83
Marsh & McLennan Companies Supplemental Retirement Plan*:	\$4,612.33	\$2,883.10	\$7,495.43
Monthly Benefit Payable at Age 65 (Non-Qualified Plans):			\$23,134.26
Total Monthly Benefit Payable at Age 65 (All Plans):			\$31,600.53

## Monthly Benefit

Age	MMC	MMC BEP	MMC SERP
65	\$8466.27	\$15638.83	\$7495.43
64	\$8442.36	\$15426.15	\$7322.44
63	\$8418.44	\$15213.48	\$7149.46
62	\$8394.53	\$15000.80	\$6976.47
61	\$8047.91	\$14304.35	\$6619.00
60	\$7701.28	\$13607.91	\$6261.51
59	\$7354.66	\$12911.46	\$5904.03
58	\$7008.04	\$12215.01	\$5546.56
57	\$6661.43	\$11518.58	\$5189.07
56	\$6314.80	\$10822.13	\$4831.60
55	\$5968.18	\$10125.68	\$4474.12

\* Does not reflect the effect of annuity purchases on your benefit. Please refer to your cover letter for an explanation of how the annuity purchase applies to your BEP and SERP benefits.